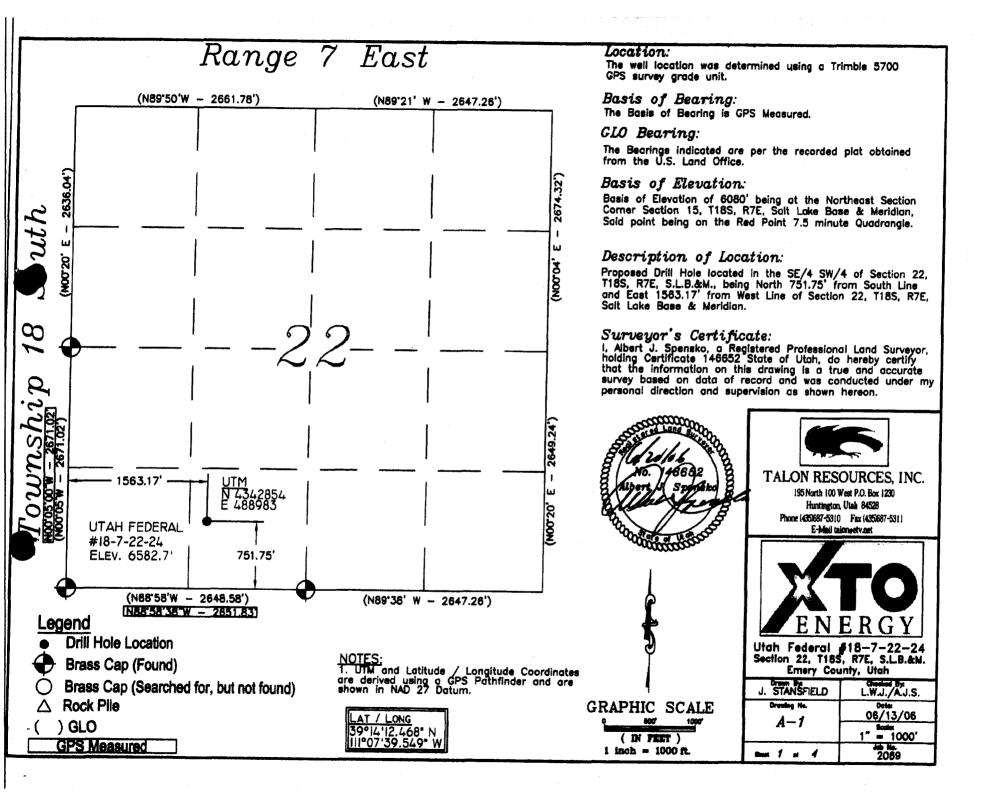
### FORM 3

### STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

AMENDED REPORT [] (highlight changes)

								(***********	· OlizingCO)
	A	PPLICAT	TON FOR	PERMIT TO	DRILL		5. MINERAL I UTU-68		6. SURFACE: Federal
1A. TYPE OF WO	ORK: DF	RILL 🚺	REENTER [	DEEPEN			7. IF INDIAN,	ALLOTTEE OR T	RIBE NAME:
B. TYPE OF WE	ali: OIL 🗌	GAS 🗾	OTHER	SIN	GLE ZONE 🚺 MULTIPLE ZON	εΠ	8. UNIT or CA	AGREEMENT N	AME:
2. NAME OF OPE	- BATOD:						N/A		
XTO Energ								ME and NUMBER: Ederal 18-7	
3. ADDRESS OF		<del></del>			PHONE NUMBER:			ID POOL, OR WIL	
2700 Farm	ington Ave. I			ATE NM ZIP 87	401 (505) 324-1090			Sandstone	
	WELL (FOOTAGES	•	4890	38×	39.234554	,	11. QTR/QTR MERIDIAN	R, SECTION, TOW I:	NSHIP, RANGE,
	752' FSL x		434	2827Y	-111.127018		SESW	22 18S	7E S
	PRODUCING ZON								
	MILES AND DIREC						12. COUNTY		13. STATE: UTAH
	nately 4.5 mil				FACRES IN LEASE:	47.51	Emery	DEG ASSIGNED	
1850'		Str. Off ED-OC	114E (1 EE; 1)	IO. NOMBER O	2205.82	17. N	UMBER OF AU	RES ASSIGNED	160
18. DISTANCE TO	O NEAREST WELL R) ON THIS LEASE	(DRILLING, COMF	LETED, OR	19. PROPOSEL		20. B	OND DESCRIP	TION:	100
1900'	K) ON THIS LEASE	(FEEI)			3,705	U	ГВ-00013	8	
	SHOW WHETHER		i.):		ATE DATE WORK WILL START:	23. ES	STIMATED DUI	RATION:	
6583' Gro	ound Elevation	วก		11/15/20	007	2 v	veeks		
24.			PROPOS	BED CASING A	ND CEMENTING PROGRAM				
SIZE OF HOLE	CASING SIZE, G	GRADE, AND WEI	SHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QU	ANTITY,	YIELD, AND S	LURRY WEIGHT	
12.25"	9.625	J-55	36#	300	Type V	+/- 1	17 sx	1.61 ft3/sx	14.2 ppg
8.75"	5.5"	J-55	15.5#	3,705	CBM light wt - lead	+/-	55 sx	4.15 ft3/sx	***************************************
				3,705	CBM light wt - tail	+/-	97 sx	1.81 ft3/sx	13.5 ppg
								<del>*************************************</del>	
25.				ATTA	CHMENTS				
	LOWING ARE ATT	ACHED IN ACCOR	PDANCE WITH THE		ONSERVATION GENERAL RULES:	<del></del>		···	
					1				
MEIT PE	AT OR MAP PREPA	NRED BY LICENSE	ED SURVEYOR OR	ENGINEER	COMPLETE DRILLING PLAN				
Z EVIDENC	CE OF DIVISION OF	WATER RIGHTS	APPROVAL FÖR US	SE OF WATER	FORM 5, IF OPERATOR IS PE	RSON C	OR COMPANY	OTHER THAN TH	E LEASE OWNER
<del></del>									
NAME (PLEASE	<sub>peinto</sub> Kyla Va	aughan	Δ		TITLE Regulatory Co	mplia	ance Tect	า	
rount (r carroc		7 16	1 10 0					• • • • • • • • • • • • • • • • • • •	
SIGNATURE	- AU	ca vu	Manar	<u> </u>	DATE 1/18/2007				
(This space for Sta	ite use only)		$\bigcirc$		Approved by the				
					Utah Division of		r	RECE	VED
API NUMBER AS	SIGNED: 2	13.015	-3070	<b>/</b>	Oil, Gas and Mining	) ^	1		
		1			. 6 31 MA	()		JAN 2 2	2007
(11/2001)				(See Instruction	ons on Revolute Side)	##	עום	OF OIL GA	S & MINING

Federal Approval of this Action is Necessary



### Bureau of Land Management Application for Permit to Drill Surface Use Plan

Company:

XTO Energy, Inc

Well No:

Utah Federal 18-7-22-24

Location:

752' FSL & 1563' FWL, Section 22, T18S, R7E

### Thirteen Point Surface Use Plan

The dirt contractor will be provided an approved copy of the surface use plan of operations before starting construction.

### 1. Existing Roads

- a. Proposed route to location: The proposed route to location is shown on Exhibit "A" and is from the Red Point Quadrangle 7.5 minute series USGS quadrangle map.
- b. Location of proposed well in relation to town or other reference point: From Orangeville, Utah, proceed West 2.9 mi on HWY # 29. Turn South on Hwy 57 and go 0.7 miles. Turn Right on existing location road and go 2.2 miles (stay left at "Y".) Turn right and go 0.4 miles to location.
- c. Contact the County Road Department for use of County Roads: No county road permits should be required.
- d. Plans for improvement and/or maintenance of existing roads: All existing roads within 1 mile of the drill site are shown on Exhibit "A". All roads that will be used to the well location will be maintained to their current conditions are better.
- e. Other Comments: None

#### 2. Planned Access Roads

- a. Location of Access Road: Starting from a point along an existing road in the SW/4 of Section 22, T18S, R7E.
- b. Length of New Road: 1730' of road will need to be constructed to access this location. See Exhibit "B".
- c. Length of Existing Road to Upgrade: No existing roads should need upgrades to access this location.
- d. Maximum Disturbed Width: Typically new access roads require up to 60' of disturbed width which includes ROW for gas and water pipe lines and electric service.

- e. Travel Width of Access Road: 25' or less.
- f. Maximum Grade after Construction: Maximum grades will not exceed 10% after construction.
- g. Turnouts Planned: No Turnouts are planned at this time.
- h. Surface Materials: Only native materials will be used if additional construction is required. If necessary, gravel or rock maybe purchased and used to improve road conditions and travel.
- i. Drainage (crowning, ditching, culverts, etc.): Roads will be re-crowned and bar ditches, if necessary, will be located on either side. 18"-24" culverts will be installed as necessary.
- j. Cattle Guards: No cattle guards are planned at this time. If necessary, cattle guards will be specified in the stipulations.
- k. Length of new and/or existing roads which lie outside the lease or unit boundary for which a BLM/State/Fee right of way is required: None.

### l. Other:

- i. Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed must be approved by the State of Utah in Advance.
- ii. If a right-of-way is necessary, no surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. The holder will adhere to conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.
- iii. If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of the boundary adjustment. Rental fees, if appropriate, shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.
- iv. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the State of Utah will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligations determined by the State of Utah.

v. If the well is not productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Field Office Manager will be notified so that temporary drainage control can be installed along the access road.

### 3. Location of Existing Wells:

a. On a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each: See Exhibit "C".

### 4. Location of Production Facilities:

- a. On-Site facilities: Typical on-site facilities will consist of a wellhead, gas flow line, water flow line, artificial lifting system (pumping unit), 2 phase separator, gas measurement, water measurement, electronics, a heated enclosure/building for weather and environmental protection and chemical injection equipment (as required). All production and measurement shall conform to the provisions of 43 CFR § 3162.7 and Onshore Oil and Gas Order No. 4, if applicable.
- b. All permanent (in place for six months or longer) structures constructed or installed on the well site location will be painted a flat, non reflective color to match the standard environmental colors, as specified by the COA's in the APD. All facilities will be painted within six months of installation. Facilities required complying with the Occupational Safety and Health Act (OSHA) may be excluded.
- c. Off-site facilities: Off-site facilities are located at the CDP station and include compression, processing, separation, tanks, pits, electronics, and produced water disposal (SWD) well.
- d. Pipelines: The well will be produced into gas and water pipelines (sizes to be determined) and transported to existing pipelines. See Exhibit "B" for the proposed pipeline route.
- e. Power lines: Power lines are located underground in the same ROW as the water and gas pipelines.

### 5. Location and Type of Water Supply:

- a. All water required for drilling will be purchased from local municipal water supply. If possible, currently produced coal well water may also be used after receiving any necessary permits. Water will be trucked to location by a third party trucking company who specializes in water hauling.
- b. Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of land.

### 6. Source of Construction Material:

- a. Pad construction material will be obtained from (if the source is Federally owned, show location on a map): All construction material will be purchased from private land owners or from a commercial gravel/materials pit. The use of materials will conform to 43 CFR § 3610.2-3, if applicable.
- b. The use of materials under State of Utah jurisdiction will conform to 43CFR § 3610.2-3, if applicable.

### 7. Methods of Handling Waste Disposal:

- a. Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc. The reserve pit will be located along the edge and within the boundaries of the designated well pad. The walls of the pit will be sloped at no greater than 2 to 1 and will be lined with a synthetic material of approximately 12 mills in thickness. The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the pit will be fenced before drilling starts. The forth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. The amount of time the pit way remain open will typically be specified by the COA's. Once dry, the liner will be cut and removed at the mud line and the pit will be covered and buried in place.
- b. Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than the completion of drilling operations.
- c. Sewage from trailers and chemical portable toilets will be removed on a regular basis by a third party contractor and disposed of at an authorized sanitary waste facility.
- d. Any and all chemicals used during the drilling and completion of the well will be kept to a minimum and stored within the boundaries of the well pad. The third party chemical contractor will be responsible for containment and clean-up and removal of all spilled chemicals on location.

### 8. Ancillary Facilities:

a. No ancillary facilities will be required during the drilling or completion of the well.

### 9. Well Site Layout:

- a. Depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1"=50'. See Exhibit "D" & "E".
- b. All equipment and vehicles that will be used to drill and complete this well will remain within the boundaries of the approved well pad. Any equipment and or vehicles parked or stored off the location will be considered trespassing on federal lands and will NOT be tolerated.

c. Materials obtained from the construction of the location, like topsoil and vegetation will be stock piled as indicated and permitted by the approved APD. The stock piles themselves may be outside the approved boundaries of the well pad.

### 10. Plans for Restoration of the Surface:

- a. The top 6 inches of topsoil material will be removed from the location and stockpiled separately on Adjacent Land or as specified by the approved APD.
- b. Topsoil along the access road will be reserved in place adjacent to the road.
- c. Within 30-45 days after completion of well, all equipment that is not necessary for production shall be removed.
- d. The reserve pit and that portion of the location not needed for production will be reclaimed 90-120 days after completion of the well.
- e. Before any dirt work to restore the location takes place, the reserve pit must be ready for burial.
- f. All road surfacing will be removed prior to the rehabilitation of roads.
- g. Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.
- h. All disturbed areas will be re-contoured to replicate the natural slope.
- i. The stockpiled topsoil will be evenly distributed over the disturbed area.
- j. Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.
- k. Seed will broadcast or drilled between September and November, or at a time specified by the BLM and or state. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.
- 1. The following seed mixture will be used: As specified conditions of approval.
- m. If necessary, and abandonment marker will be one of the following, as specified by the State of Utah:
  - i. At least four feet above ground level,
  - ii. At restored ground level, or
  - iii. Below ground level.
  - iv. In any case the marker shall be inscribed with the following: operator name, lease number, well name and description (township, section, and either quarter-quarter or footages).
- n. Additional requirements: None

### 11. Surface and Mineral Ownership:

Both the Surface and the Minerals are owned by the Federal Government and are managed by the Bureau of Land Management: 82 East Dogwood Avenue, Moab, Utah, 84532, 435,259,2106.

### 12. Other Information:

- a. Archeological Concerns: An approved contractor will submit the appropriate reports to the agency as required. Special stipulations will be included in the COA's of the approved APD.
- b. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the State of Utah Field Office. Within five (5) working days, the State of Utah will inform the operator as to:
  - i. Weather the materials appear eligible for the National Register of Historic Places:
  - ii. The mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
  - iii. A time frame for the State of Utah to complete an expedited review under 36 CFR § 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the State of Utah are correct and that mitigation is appropriate.
- c. If the operator wishes, at any time, to relocate activities to avoid the expenses of mitigation and/or the delays associated with this process, the State will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The State of Utah will provide technical and procedural guidelines for the conduct of mitigation. Upon Verification from the State of Utah that the required mitigation has been completed, the operator will then be allowed to resume construction.
- d. Threatened and Endangered Species Concerns:
  - i. An approved contractor will submit the appropriate reports as required. Special Stipulations will be included in the COA's of the approved APD.
- e. Wildlife Seasonal Restrictions: Current wildlife restrictions and closure dates are specified in the BLM's Environment Impact Statement.
- 13. The Drilling Program is attached: See Exhibit "F".

### 14. Lessee's or Operator's Representatives and Certification:

a. Permitting and Compliance:

Kyla Vaughan Regulatory Compliance XTO Energy Inc. 2700 Farmington Avenue, Bldg K, Ste 1 Farmington, NM 87401 505-324-1090

b. Drilling and Completions:

Kyla Vaughan

John Egelston XTO Energy Inc. 2700 Farmington Avenue, Bldg K, Ste 1 Farmington, NM 87401 505-324-1090

### c. Certification:

I herby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be preformed by XTO Energy Inc. and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided by XTO Energy Inc. This statement is subject to provisions of 18 U.S.C. § 1001 for the filing of a false statement.

Signature:

### XTO Energy, Inc.

1.

### **Utah Federal 18-7-22-24**Drilling Data for APD

January 18, 2007

Surface Location:

752' FSL & 1563' FWL, Sec. 22, T18S, R7E

Proposed TD: 3705'

Objective: Ferron Coal KB Elevation: 6595'

Approximate Elevation: 6583'

1. Mud Program:

Interval	0'-300'	300'-3705' 8.75" Air/LSND/Gel Chemical		
Hole Size	12.25"			
Mud Type	Air/Mist			
Weight	N/A	8.4-8.6		
Viscosity	N/A	45-60		
Water Loss	N/A	8-10		

- a. Air drill to TD unless excessive water flow is encountered then switch to water based mud. If mud is required, use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing.
- b. The blooie line will be approximately 100' in length and will extend in a straight line from below the rotating head as indicated in the BOP schematic. An automatic spark-type igniter will be fixed to the end of the blooie line and set to provide a continuous spark to ignite and burn any produced hydrocarbons and/or gasses.
- c. If necessary, de-dusting will be accomplished with a small pump, waterline, and spray nipple positioned near the end of the blooie line to provide a continuous spray of water.
- d. Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonably be expected.
- e. The BOP system will be consistent with API RP53 and Onshore Oil & Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment subject to pressure will be conducted before drilling the casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers shall be inspected and operated daily. Annular preventers shall be inspected an operated weekly to ensure good mechanical working order. The inspections and tests shall

be recorded in the drilling log and daily drilling report. See the attached BOP and choke manifold schematic.

### 2. Casing Program:

a. Surface Casing set @ 300' in a 12.25" hole.

9.625,36 #/ft, J-55, ST&C, ( 8.921" ID, 8.765" Drift)							
Collapse	Collapse Burst Joint SF SF Burst SF						
Press	Press	Strength	Collapse		Tension		
2020	3520	394	15.060	26.240	36.480		

b. Production Casing set @ 3705' in a 8.75" hole.

5.5", 15.5 #/ft, J-55, ST&C ( 4.950" I.D., 4.825" Drift)							
Collapse	Burst	Joint	SF	SF Burst	SF		
Press	Press	Strength	Collapse		Tension		
4040	4810	202	2.439	2.900	3.520		

Safety Factors based on vertical wellbore conditions with hydrostatic of fresh water with no backup used to calculate burst and collapse. Tension based on hanging weight in air.

### 3. Well Heads:

- a. Casing Head: Install Larkin Fig 92 (or equivalent), 10" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom and 10-3/4" 8rnd thread on top. NU BOP and choke manifold (see attached schematic). Stack to consist of drilling spool with choke and kill lines, double rams with pipe rams on top, blind rams on bottom. Use cold water and test BOP to 250 psi low and 1,000 psi high. Record all tests on the IADC report. Inspect accumulator and closing unit to ensure that pre-charge pressures and oil levels are within API Specifications and report same on IADC report.
- b. Tubing Head: Larkin Fig 612 (or equivalent), 5,000 psig WP (5,000 psig test), 5 ½" SOW (or API 8 rnd female thread) on bottom, 7  $^{1}/_{16}$ " 5,000 psig flange on top with two 3" LPOs.

### 4. Cement Program:

- a. Surface: 117 sx of Type V cement (or equivalent) containing 1% CaCl, ¼ pps Flocele, and 10% Cal Seal mixed at 14.2 ppg and 1.61 ft<sup>3</sup>/sk.
  - i. Slurry Volume is 94 ft<sup>3</sup>, 200% excess of calculated annular volume to 300°.

EXHIBIT F

### b. Production:

- i. The production casing will be cemented using 2 (lead and tail) cement slurries. The lead cement (filler grade) volume will be calculated based on a maximum achievable top assuming formation pressure of 1,000 psi at the shoe. The tail cement will be calculated from TD to 300' above the Upper Ferron Sandstone as indicated on the formation tops table.
- ii. Lead Cement: 55 sx of CBM Light Weight Cement with 10 pps Gilsonite and ½ pps celloflake mixed at 10.5 ppg and 4.15 ft<sup>3</sup>/sk.
- iii. Tail Cement: 97 sx of CBM Light Weight Cement with 10 pps Gilsonite and ½ pps celloflake mixed at 13.5 ppg and 1.81 ft<sup>3</sup>/sk.
- iv. Slurry volume is 400 ft<sup>3</sup>, 40% excess of calculated annular volume to 1,000 psi hydrostatic over formation pressure.

### 5. Logging Program

- a. Mud logger: The mud logger will come on after surface pipe is set and will remain until TD. The mud will be logged in 10' intervals.
- b. Run Array Induction (if wet), compensated neutron, density, GR, caliper, SP (if wet), and Pe from TD to the bottom of the surface casing.

### 6. Formation Tops:

Formation	Well Depth
Top of Upper Ferron SS	3270
Top of Coal Zone	3325
Top of Lower Ferron SS	3405
Total Depth	3705

- a. No known oil zones will be penetrated.
- b. Gas bearing sandstones and coals will be penetrated from 3270' to 3705'.
- c. No known fresh water zones will be penetrated. The gas bearing sandstones and coals may contain in-situ water.
- d. No known mineral zones will be penetrated.
- e. Any prospectively valuable minerals and all fresh water zones encountered during drill will be recorded, cased, and cemented. If possible, water flow rates will be



measured and samples will be taken and analyzed with the results being submitted to the appropriate agency.

### 7. Company Personnel:

Name	Title	Office Phone	<b>Mobile Phone</b>
John Egelston	Drilling Engineer	505.564.6734	505.330.6902
Jerry Lacy	Drilling Superintendent	505.566.7914	505.320.6543
Joshua Stark	Project Geologist	817.885.2240	817.565.7158
Jerry Stadulis	Reservoir Engineer	817.855.2338	817.480.4056

# **BOP SCHEMATIC FOR PRESSURE**

**DRILLING OPERATIONS** CLASS 1 (2M) NORMAL

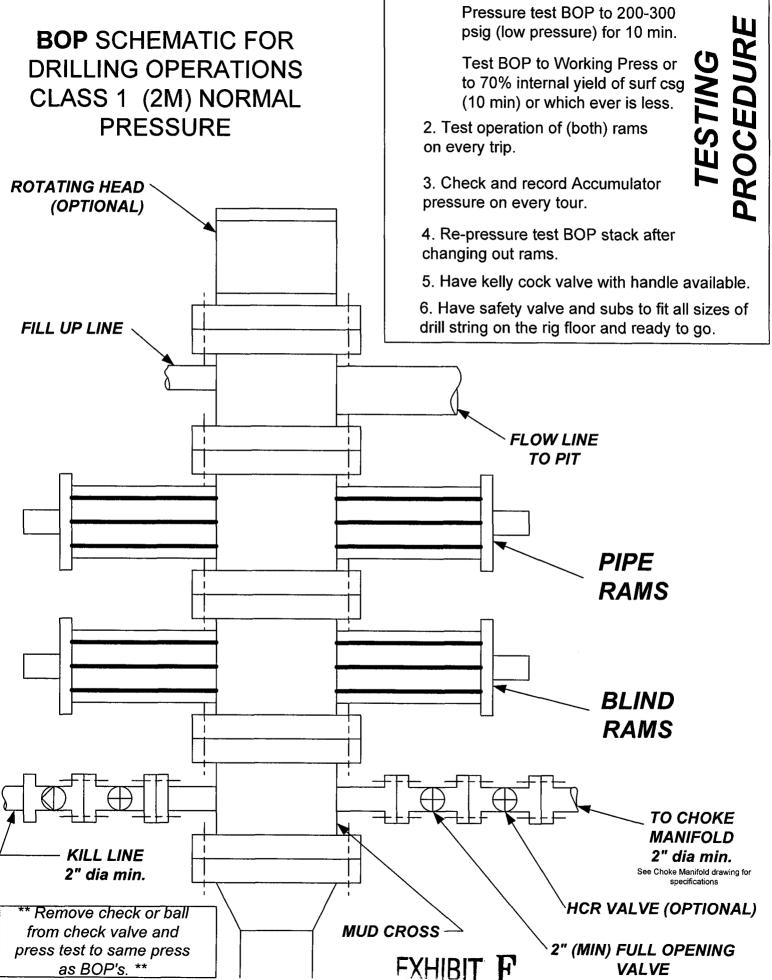
**ROTATING HEAD** 

1. Test BOP er installation:

> Pressure test BOP to 200-300 psig (low pressure) for 10 min.

Test BOP to Working Press or to 70% internal yield of surf csg (10 min) or which ever is less.

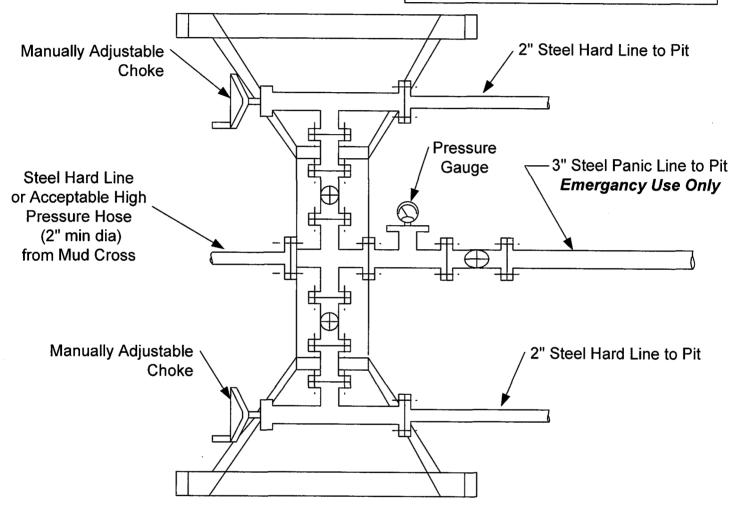
- 2. Test operation of (both) rams on every trip.
- 3. Check and record Accumulator pressure on every tour.

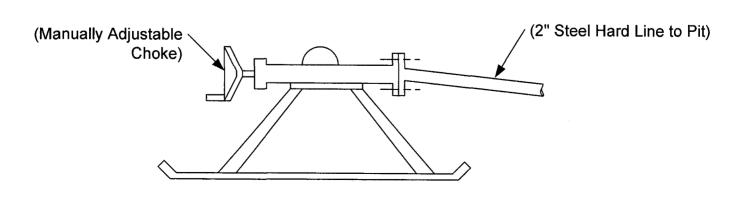


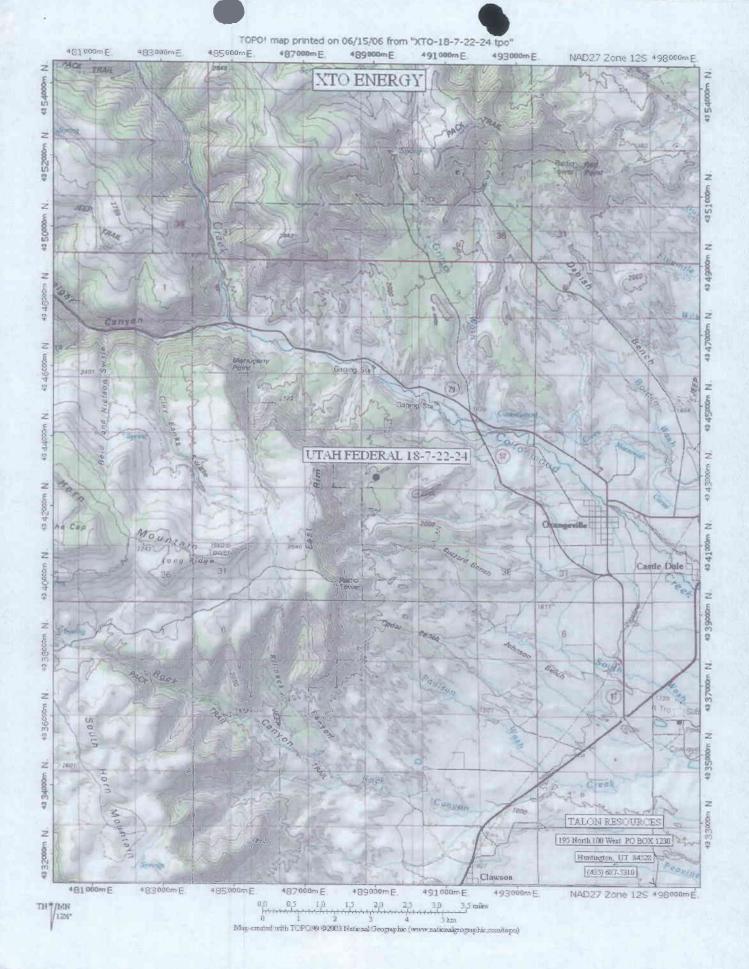
# CHOKE MANIFOLD SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

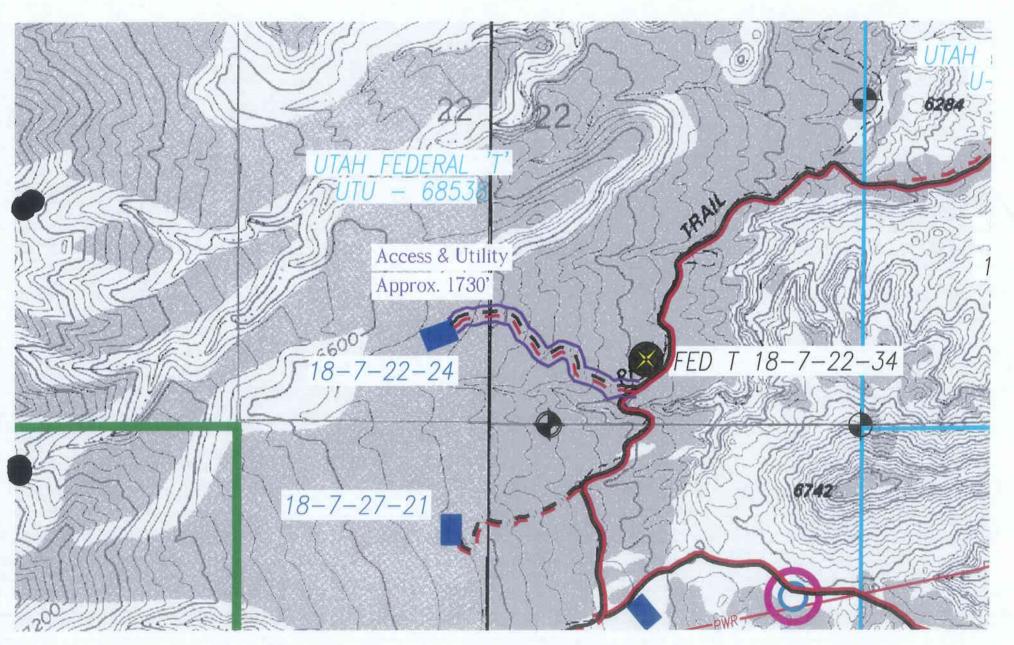
- 1. Stake all lines from choke manifold to pit.
- 2. Pressure test choke manifold after installation.
- 3. Pressure test manifold at the same time with the BOP Stack. Test manifold to the same test pressures.

# TESTING PROCEDURE



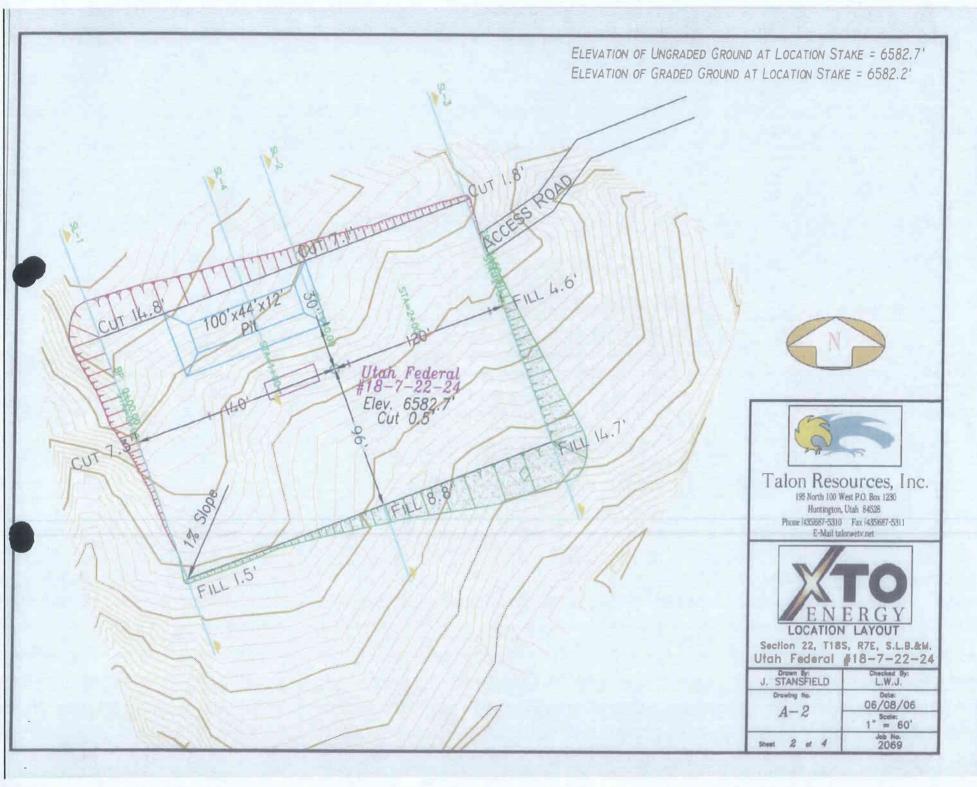


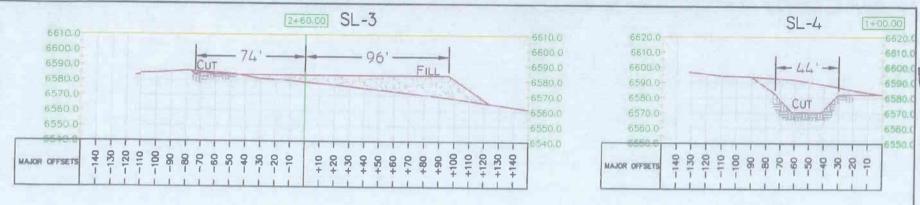


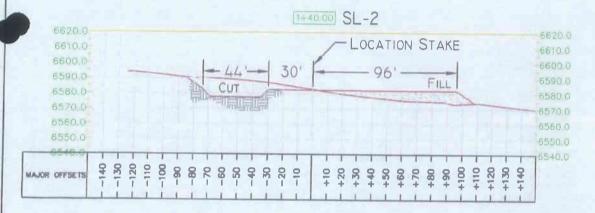


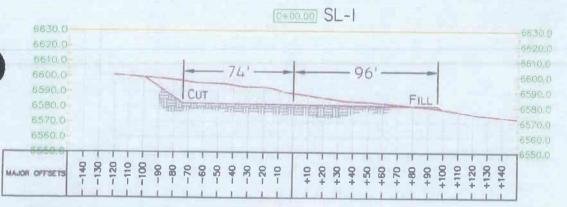












APPROXIMATE YARDAGES

(6\*)TOPSOIL STRIPPING = 750 CU. YDS.

TOTAL CUT = 6,400 CU. YDS.

(INCLUDING PIT)

TOTAL FILL = 5,320 CU. YDS.

SLOPE = 1 1/2 : 1 (EXCEPT PIT) PIT SLOPE = 1 ; 1



### Talon Resources, Inc.

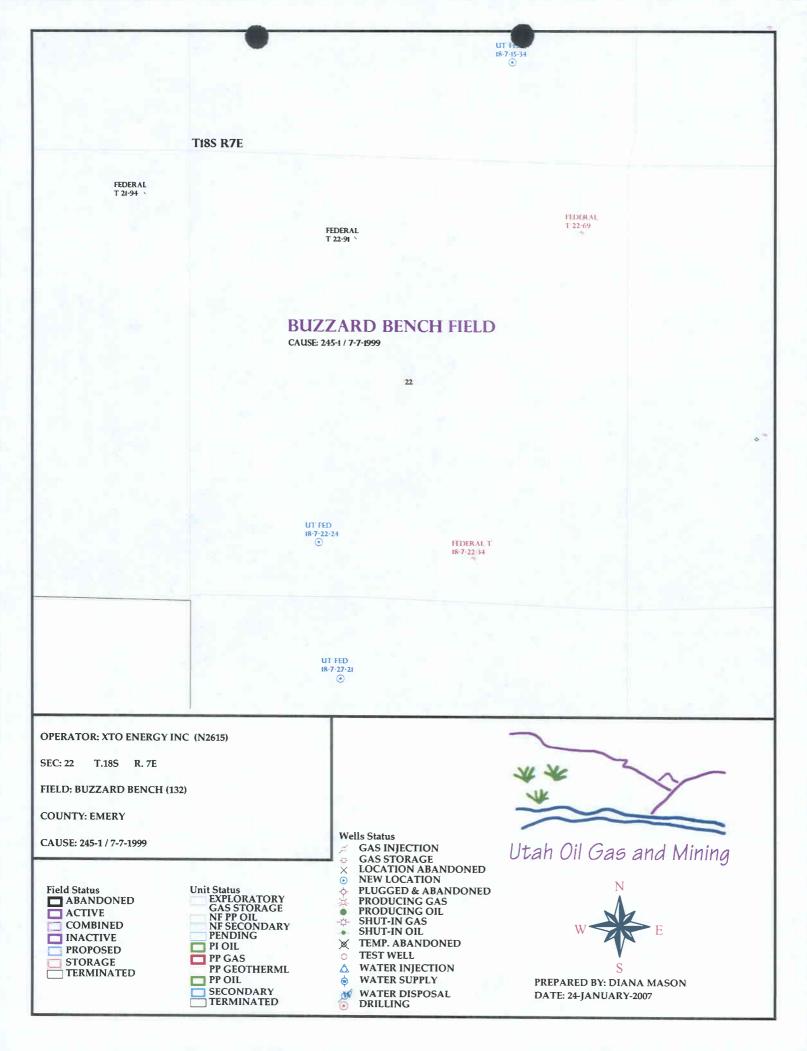
195 North 100 West P.O. Box 1230 Huntington, Utah 84528 Phone (435)697-5310 Fax (435)697-5311 E-Mail taloneetv.net



TYPICAL CROSS SECTION
Section 22, T18S, R7E, S.L.B.&M
Utah Federal #18-7-22-2

J. STANSFIELD	Checked By: L.W.J.		
Drowing No.	06/08/06 06/08/06 1" = 60'		
C-7			
Sheet 3 of 4	Job No. 2069		

APD RECEIVED: 01/22/2007	API NO. ASSIGNED: 43-015-30704
WELL NAME: UT FED 18-7-22-24	
OPERATOR: XTO ENERGY INC ( N2615 )	PHONE NUMBER: 505-324-1090
CONTACT: KYLA VAUGHAN	
PROPOSED LOCATION:  SESW 22 180S 070E  SURFACE: 0752 FSL 1563 FWL  BOTTOM: 0752 FSL 1563 FWL  COUNTY: EMERY  LATITUDE: 39.23656 LONGITUDE: -111.1270  UTM SURF EASTINGS: 489038 NORTHINGS: 43428  FIELD NAME: BUZZARD BENCH ( 132  LEASE TYPE: 1 - Federal  LEASE NUMBER: UTU-68538  SURFACE OWNER: 1 - Federal	
Plat Bond: Fed[1] Ind[] Sta[] Fee[] (No. UTB-000138 ) Potash (Y/N) N Oil Shale 190-5 (B) or 190-3 or 190-13 Water Permit (No. MUNICIPAL ) RDCC Review (Y/N) (Date: )  LIM Fee Surf Agreement (Y/N) N Intent to Commingle (Y/N)	LOCATION AND SITING:  R649-2-3.  Unit: R649-3-2. General         Siting: 460 From Qtr/Qtr & 920' Between Wells         R649-3-3. Exception  Drilling Unit         Board Cause No:
STIPULATIONS:	orwa (C)





State of Utah

Department of **Natural Resources** 

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

> JOHN R. BAZA **Division** Director

JON M. HUNTSMAN, JR. Governor

> GARY R. HERBERT Lieutenant Governor

> > January 24, 2007

XTO Energy, Inc. 2700 Farmington Ave. Bldg. K, Ste. 1 Farmington, NM 87401

Re: Utah Federal 18-7-22-24 Well, 752' FSL, 1563' FWL, SE SW, Sec. 22,

T. 18 South, R. 7 East, Emery County, Utah

### Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-015-30704.

Sincerely,

Gil Hunt

Associate Director

XIII THA

pab **Enclosures** 

cc:

**Emery County Assessor** 

Bureau of Land Management, Moab District Office

Operator:	XTO Energy, Inc.				
Well Name & Number	Utah Federal 18-7-22-24				
API Number:	43-015-30704				
Lease:	UTU-68538				
Location: <u>SE SW</u>	Sec. 22	<b>T.</b> 18 South	<b>R.</b> 7 East		

### **Conditions of Approval**

### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

### 2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

Contact Dan Jarvis at (801) 538-5338

### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

Form 3160-3 (April 2004)

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires March 31, 2007

APPLICATION FOR PERMIT TO	DRILL OR	REENTER	3	. Lease Serial No.	
le Type of Work	REENTER		-	UTU-68538 If Indian, Allotee or	Tribe Name
				N/A	1100 11000
1b. Type of Well Oil Well 🔽 Gas Well 🔲 Othe	er 😦 8	Single Zone Multiple Zon	x 7	Unit or CA Agreem	ent Name and No.
2. Name of Operator		-		M/A	
NO Premov Inc.			8	Lease Name and We	
3a. Address	\	3b. Phone No. (include area co	<del>40)</del>	Otah Federal API Well No.	18-7-22-24
2700 Farmington Ave., Bldg. K. Ste 1 Farmi	naton, 196	505-324-1090		4301S	30704
4. Location of Well (Report location clearly and in accordance with  At surface 7801 787 4500	h any State eq	uirements)*	10	Field and Pool, or Ex	questory
Al surface 752' FSL x 1563' FML			ļ.,	Fermon Sandst Sec., T., R., M., or I	
At proposed prod. zone			"		·
4. Distance in miles and direction from nearest town or post office*		······································	12	Sec 22, T185, County or Parish	13.State
Accresizately 4.5 miles We	et of One	nowcille. Wah		MEY_	UT
15. Distance from proposed*		No. of Acres in lease		ng Unit dedicated to t	
location to meanest property or lease line, fit. 1850					
(Also to mearest drg. unit line, if any)	1	2205.82		160	
18. Distance from proposed location <sup>a</sup>	19	Proposed Depth	20. BLM	BLA Bond No. on fi	le
to nearest well, drilling, completed, applied for, on this lease, fl.	1	•	1		-
1900 ·		37051	1	UIB0001	30
21. Elevations (Show whether DF, KDB, RT, GL, etc.	22	. Approximate date work will star	r.*	23. Estimated durat	ion
6583' Ground Elevation		November 15, 2007	-		meks
The following, completed in accordance with the requirements of One		tachments	to this for		
<ol> <li>Well plat certified by a registered surveyor.</li> <li>A Drilling Plan</li> <li>A Surface Use Plan (if the location is on National Forest System I SUPO shall be filed with the appropriate Forest Service Office).</li> </ol>		4. Bond to cover the operatiltem 20 above). 5. Operator certification. 6. Such other site specific intauthorized officer.	ons unless	covered by an existin	·
25. Sigmusture 2 0 1/	Name	(Printed/Typed)		Date	<u> </u>
Kula Buahan	Kyla	Vanghan			01/18/07
File Regulatory Compliance Tech	1, 3			<del></del>	<u> </u>
Approved by (Signautre) /s/ A. Lynn Jackson	Name	<b>(Printed/Typed)</b> /s/ A. Lynn Jackso.	n	Date	7/13/07
Ascistant Field Manager,	Office	Division of Moab Field	Office		
Application approval does not warrant of certify that the applicant honduct operations thereon.  Conditions of approval, if any, are attached.	olds legal or e	equitable title to those rights in t	he subject	lease which would e	ntitle the applicant to
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make states any false, fictitious or fraudulent statements or representations a	it a crime for a s to any matte	any person knowlingly and willful r within its jurisdiction.	lly to make	to any department or	agency of the United
(Instructions on page 2)		C	110	RICG	

CONDITIONS OF APPROVAL ATTACHED

RECEIVED JUL 1 6 2007 XTO Energy, Inc. Utah Federal 18-7-22-24

Lease: UTU-68538 SE/SW Section 22, T18S, R7E Emery County, Utah

A COMPLETE COPY OF THIS APPROVED PERMIT and Conditions of Approval shall be maintained on location during all construction and drilling operations, and shall be available to contractors to ensure compliance.

### **CONDITIONS OF APPROVAL**

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that XTO Energy, Inc. is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by **UTB000138** (Principal – XTO Energy, Inc.) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of two years from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. Failure to comply with the provisions of this permit, including applicable regulations, stipulations, and/or approval conditions, will be considered a violation subject to the enforcement provisions of 43 CFR Subpart 3163.

### A. DRILLING PROGRAM

- 1. The proposed 2M BOPE is adequate for anticipated conditions. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2. A rotating head is required equipment for air drilling operations.
- 2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities.
- 3. Drilling reports, which describe the activities of each day, shall be submitted to the BLM Moab Field Office on a weekly, or more frequent, basis. In addition to a daily summary of activities, drilling reports shall include the drilling fluid weight, details of casing and cement, water flows, lost circulation zones and any other information that would contribute to the understanding of drilling conditions.
- 4. A cement bond log (CBL) or other appropriate tool for determining top-of-cement, shall be run on the production casing and shall be submitted to BLM.
- 5. When drilling with air, the requirements of Onshore Oil and Gas Order No. 2, part III, E, Special Drilling Operations, shall apply.

### SITE-SPECIFIC

- 1. The proponent will avoid any construction within the seasonal buffers (February 1-July 15) for active raptor nests that are within the recommended spatial buffers. Seasonal buffers have been established as a result of BLM coordination and interaction with the Utah Division of Wildlife Resources and the US Fish and Wildlife Service, and these buffers typically involve a half-mile radius from active raptor nests (1 mile for peregrine falcon), unless an exemption is granted by the BLM.
- 2. For reducing visual contrast, all production facilities to remain on-site longer than 6 months will be painted a flat, non-reflective standard environmental color (Olive Black 5WA20-6), approved by the Rocky Mountain Five State Interagency Committee, prior to installation. This Fuller O'Brien color is for reference only. This will include all facilities except those required to comply with Occupational Safety and Health (OSHA) regulations.

### **SURFACE USE**

- 1. The following appendices are attached for your reference. They are to be followed as conditions of approval:
  - a. <u>Appendix 1:</u> Wildlife Seasonal Restriction and Surface Disturbance Mitigation Plan
  - b. Appendix 2: Seed Mixtures for Reclamation/Revegetation Areas
- 2. Any surface structures to remain on lease greater than six months shall be painted in the following flat, earth tone color: Olive Black (5W A 20-6) prior to installation. This Fuller O'Brien color is for reference only. Any brand of paint may be used provided the colors match. Any facilities that must be painted to comply with OSHA standards are exempt.
- 3. Best Management Practices and the BLM Price Field Office Hydrologic Modification Standards will be implemented.
- 4. The companies Spill Prevention, Containment, and Cleanup Plan shall be followed and a copy submitted to the authorized officer.
- 5. Dust shall be controlled during all phases of project implementation through the use of water or approved dust suppressants.
- 6. XTO shall avoid clearing trees in a straight line and maintain the irregular shaped areas of the access road and mitigation project as designed.

- 7. Control of non-native, invasive species (noxious weeds) will be in accordance with the Federal Noxious Weed Act, the Utah Noxious Weed Act (R68-9), and County Noxious Weed Control Plans. Control of non-native, invasive species will be completed on all disturbed sites associated with the development and final reclamation of well pads and pipelines. The use of herbicides will be approved through a pesticide use proposal (PUP) submitted to the BLM prior to herbicide application.
- 8. The Companies will provide georeferenced spatial data depicting as-built locations of all facilities, wells, roads, pipelines, power lines, and other related facilities to the BLM by November 1 of each year until completion of project construction activities has occurred.
- 9. Reserve pits will be adequately fenced during and after drilling operations until pit is reclaimed so as to effectively keep out wildlife and livestock. Adequate fencing, in lieu of more stringent requirements by the surface owner, is defined as follows:
  - a. Construction materials will consist of steel or wood posts. Three or four strand wire (smooth or barbed) fence or hog panel (16-foot length by 50-inch height) or plastic snow fence must be used with connectors such as fence staples, quick-connect clips, hog rings, hose clamps, twisted wire, etc. Electric fences will not be allowed.
  - b. Construction standards: Posts shall be firmly set in ground. If wire is used, it must be taut and evenly spaced, from ground level to top wire, to effectively keep out animals. Hog panels must be tied securely into posts and one another using fence staples, clamps, etc. Plastic snow fencing must be taut and sturdy. Fence must be at least 2-feet from edge of pit. 3 sides fenced before beginning drilling, the fourth side fenced immediately upon completion of drilling and prior to rig release. Fence must be left up and maintained in adequate condition until pit is closed.
- 10. The reserve pit will be oriented to prevent collection of surface runoff. After the drilling rig is removed, the operator may need to construct a trench on the uphill side of the reserve pit to divert surface drainage around it. If constructed, the trench will be left intact until the pit is closed.
- 11. The reserve pit will be lined with an impermeable liner. An impermeable liner is any liner having a permeability less than 10<sup>-7</sup> cm/sec. The liner will be installed so that it will not leak and will be chemically compatible with all substances that may be put in the pit. Liners made of any man-made synthetic material will be of sufficient strength and thickness to withstand normal installation and pit use. In gravelly or rocky soils, a suitable bedding material such as sand will be used prior to installing the liner.
- 12. The reserve pit will be constructed so that at least half of its total volume is in solid cut material (below natural ground level).
- 13. The reserve pit shall have 2 foot of freeboard maintained at all times to prevent overflow of fluids.
- 14. XTO will measure gas production on the well pad unless permission is granted for measurement at another place.

### **GENERAL CONSTRUCTION**

- 1. Operator shall contact the Price BLM Office at least forty-eight hours prior to the anticipated start of construction and/or any surface disturbing activities including reclamation. The BLM may require and schedule a preconstruction conference with the operator prior to the operator commencing construction and/or surface disturbing activities. The operator and the operator's contractor, or agents involved with construction and/or any surface disturbing activities associated with the project, shall attend this conference to review the Conditions of Approval and plan of development. The operator's inspector will be designated at the pre-drill conference, and is to be given an approved copy of all maps, permits and conditions of approval before the start of construction. The BLM will also designate a representative for the project at the preconstruction conference.
- 2. The operator shall designate a representative(s) who shall have the authority to act upon and to implement instructions from the BLM. The operator's representative shall be available for communication with the BLM within a reasonable time when construction or other surface disturbing activities are underway.
- 3. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the operator, or any person working on his behalf, on public land is to be immediately reported to the Price BLM Office. The operator will suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Price BLM Office. An evaluation of the discovery will be made by the BLM to determine appropriate actions to prevent the loss of significant cultural or scientific values. The operator is responsible for the cost of evaluation of any site found during construction. The BLM will determine what mitigation is necessary.
- 4. During project construction, surface disturbance and vehicle travel shall be limited to the approved location and access routes. Any additional area needed must be approved by the Price BLM Office prior to use.
- 5. The operator must provide a trash cage for the collection and containment of all trash. The trash shall be disposed in an authorized landfill. The location and access roads shall be kept litter free.
- 6. Vegetation removal necessitated by construction shall be confined to the limits of actual construction. Removed vegetation will be stockpiled for use in reclamation or removed from the construction site at the direction of the BLM.
- 7. Prior to surface disturbance, topsoil is to be separately removed and segregated from other material. Topsoil depth will be decided onsite by BLM. If the topsoil is less than 6 inches, a 6-inch layer that includes the A horizon and the unconsolidated material immediately below the A horizon shall be removed and the mixture segregated and

redistributed as the surface soil layer. The company in consultation with BLM shall determine stockpile locations and dimensions at the onsite. If the topsoil stockpiles will not be redistributed for a period in excess of one (1) year, the stockpiles are to be seeded with seed mixture (see Appendix 2, Table A-1 and A-2).

### **ROAD and PIPELINE CONSTRUCTION**

- 1. Operator shall provide an inspector under the direction of a registered professional engineer (PE) at all times during road construction.
- 2. Road construction or routine maintenance activities are to be performed during periods when the soil can adequately support construction equipment. If such equipment creates ruts more than 6 inches deep, the soil is deemed too wet to adequately support construction equipment.
- 3. The operator is responsible for maintenance of all roads authorized through the lease or a right-of-way. Construction and maintenance shall comply with Class II or III Road Standards as described in BLM Manual Section 9113 and the Moab District Road Standards, except as modified by BLM. Maintenance may include but is not limited to grading, applying gravel, snow removal, ditch cleaning, and headcut restoration/prevention.
- 4. Topsoil from access roads and pipelines are to be wind rowed along the uphill side of the road or stored in an approved manner. When the road and pipeline is rehabilitated, this soil will then be used as a top coating for the seed bed.
- 5. Erosion-control structures such as water bars, diversion channels, and terraces will be constructed to divert water and reduce soil erosion on the disturbed area. Road ditch turnouts shall be equipped with energy dissipators as needed to avoid erosion. Where roads interrupt overland sheet-flow and convert this runoff to channel flow, ditch turnouts shall be designed to reconvert channel flow to sheet flow. Rock energy dissipators and gravel dispersion fans may be used, or any other design which would accomplish the desired reconversion of flow regime. As necessary cut banks, road drainages, and road crossings shall be armored or otherwise engineered to prevent headcutting.

### PAD CONSTRUCTION

- 1. During the construction of the drill pad, suitable topsoil material is to be stripped and conserved in a stockpile on the pad. If stockpiles are to remain for more than a year, they shall be seeded with the seed mixture (see Appendix 2, Table A-1 and A-2).
- 2. Generally, drill pads are to be designed to prevent overland flow of water from entering or leaving the site. The pad is to be designed to allow for zero runoff. The drill pad shall be designed to disperse diverted overland flow and to regulate flow velocity so as to

prevent or minimize erosion. Well pad diversion outlets shall be equipped with rock energy brakes and gravel-bedded dispersion fans.

### REHABILITATION PROCEDURES

### Site Preparation

- 1. Upon completion of the well, <u>all</u> disturbed areas not needed for production facilities would be restored. Overall, the pad for a well during production is expected to be about 60 percent of the size that was needed for drilling and completion.
- 2. The entire roadbed should be obliterated and brought back to the approximate original contour. Drainage control is to be reestablished as necessary. All areas affected by road construction are to be recontoured to blend in with the existing topography. All berms are to be removed unless determined to be beneficial by BLM. In recontouring the disturbed areas, care should be taken to not disturb additional vegetation.

### Seedbed Preparation

- 3. An adequate seedbed should be prepared for all sites to be seeded. Areas to be revegetated should be chiseled or disked to a depth of at least 12 inches unless restrained by bedrock.
- 4. Ripping of fill materials should be completed by a bulldozer equipped with single or a twin set of ripper shanks. Ripping should be done on 4-foot centers to a depth of 12 inches. The process should be repeated until the compacted area is loose and friable, then shall be followed by final grading. Seedbed preparation will be considered complete when the soil surface is completely roughened and the number of rocks (if present) on the site is sufficient to cause the site to match the surrounding terrain.
- 5. After final grading, the stockpiled topsoil shall be spread evenly across the disturbed area.

### **Fertilization**

- 6. Commercial fertilizer with a formula of 16-16-8 is to be applied at a rate of 200 pounds per acre to the site. The rate may be adjusted depending on soil.
- 7. Fertilizer is to be applied not more than 48 hours before seeding, and shall be cultivated into the upper 3 inches of soil.
- 8. Fertilizer is to be broadcast over the soil using hand-operated "cyclone-type" seeders or rotary broadcast equipment attached to construction or revegetation machinery as appropriate to slope. All equipment should be equipped with a metering device.

Fertilizer application is to take place before the final seeding preparation treatment. Fertilizer broadcasting operations should not be conducted when wind velocities would interfere with even distribution of the material.

### Mulching

- 9. When it is time to reclaim this location, the Price BLM Office will determine whether it will be necessary to use mulch in the reclamation process. The type of mulch should meet the following requirements: Wood cellulose fiber shall be natural or cooked, shall disperse readily in water, and shall be nontoxic. Mulch shall be thermally produced and air dried. The homogeneous slurry or mixture shall be capable of application with power spray equipment. A colored dye that is noninjurious to plant growth may be used when specified. Wood cellulose fiber is to be packaged in new, labeled containers. A minimum application of 1500 pounds per acre shall be applied. A suitable tackifier shall be applied with the mulch at a rate of 60 to 80 pounds per acre.
  - a. An alternative method of mulching on small sites would be the application of straw or hay mulch at a rate of 2000 pounds per acre. Hay or straw shall be certified weed free. Following the application of straw or hay, crimping shall occur to ensure retention.

### Reseeding

- 10. All disturbed areas are to be seeded with the seed mixture required by the BLM. The seed mixture(s) shall be planted in the fall of the year (Sept-Nov), in the amounts specified in pounds of pure live seed (PLS)/acre. There shall be no noxious weed seed in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within 12 months prior to planting. Commercial seed will be either certified or registered seed. The seed mixture container shall be tagged in accordance with State law(s) and available for inspection by the BLM. Seed is to be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area. (Smaller/heavier seeds tend to drop to the bottom of the drill and are planted first. Appropriate measures should be taken to ensure this does not occur.) Where drilling is not possible, seed is to be broadcast and the area raked or chained to cover the seed. Woody species with seeds that are too large for the drill will be broadcast. When broadcasting the seed, the pounds per acre noted below are to be increased by 50 percent. Reseeding may be required if a satisfactory stand is not established to the surface rights owner's specifications. Evaluation of the seeding's success will not be made before completion of the second growing season after the vegetation becomes established. The Price BLM Office is to be notified a minimum of seven days before seeding a project.
- 11. The disturbed areas for the road and pipeline must be seeded in the fall of the year, immediately after the topsoil is replaced. The prescribed seed mixture is Pinyon-Juniper (see attached).

### General

12. Prior to the use of insecticides, herbicides, fungicides, rodenticides and other similar substances, the operator must obtain from BLM, approval of a written plan. The plan must describe the type and quantity of material to be used, the pest to be controlled, the method of application, the location for storage and disposal of containers, and other information that BLM may require. A pesticide may be used only in accordance with its registered uses and within other agency limitations. Pesticides must not be permanently stored on public lands.

### Appendix 1: Wildlife Seasonal Restriction and Surface Disturbance Mitigation Plan

### Ferron Natural Gas Project Area

### EPM 16 & 17: WINTER SEASONAL RESTRICTION (DECEMBER 1 to APRIL 15) ON CRUCIAL AND HIGH PRIORITY WINTER RANGE.

Restrictions on Construction Phase Activity: Prohibit construction phase activity, described below. on big game high value and critical winter range during the period (December I - April 15) without regard for land ownership.

This condition would not apply to normal maintenance and operation of producing wells, described below. On non-federal lands (where the federal government does not have either surface or subsurface ownership) the Companies would be allowed to conduct construction phase activity if needed to avoid breech of contract or loss of lease rights. In the event construction phase activity continues into the winter closure period on non-federal interest lands, Companies would make available appropriate documentation to UDWR, upon request.

<u>Construction Phase Activity:</u> Construction phase activity is considered to include all work associated with initial i drilling and construction of facilities through completion, including installation of pumping equipment, connection with ancillary facilities and tie-in with pipelines necessary for product delivery.

Companies would not be allowed to initiate construction activity unless it is reasonable to believe that such work can be finished to a logical stopping point prior to December I of that year. Specific activities considered to be covered by the seasonal closure include all heavy equipment operation including but not limited to the following:

- Mobilization/Demobilization or operation of heavy equipment (crawler tractor, front end loader backhoe, road grader, etc.)
- Construction activity (road construction or upgrading, pad, pipeline, powerline, ancillary facilities, etc.),
- Drilling activity (Operator would not propose or initiate drilling activity if the project could not reasonably be expected to be finished to a logical stopping point by the December I date of that year).
- Seismic operation, detonation of explosives

This seasonal closure would not apply to reconnaissance, survey/design and/or flagging of project work or other similar activity not requiring actions listed for heavy equipment operation.

<u>Production Phase:</u> A well is considered to be in production phase when the well and ancillary facilities are completed to the point that they are capable of producing and delivering product for sale. It is noted that heavy equipment operation may be necessary in the performance of maintenance and operation of producing wells.

Restriction on Non Emergency Workover Operations: The Companies will schedule non-emergency workover operations (defined below) on big game crucial and high value winter range outside the December I to April 15 date of the seasonal closure.

Non-emergency Workover Operations: Workover operations to correct or reverse a gradual loss of production over time (loss of production of 20 percent or less over a 60 day period) is considered to be routine or non-emergency workover operations and would not be permitted during the December I to April 15 time frame.

Emergency Workover Operations: Emergency workover operations are defined as downhole equipment failure problems or workover operation necessary to avoid shut in of the well or to avoid an immediate safety or environmental problem. Loss of production greater than 20 percent within a 60 day period is indicative of pump failure and will be treated as an emergency workover operation. The Companies will submit Sundry notices to BLM within five days of the emergency workover operations between December I and April 15.

### <u>EPM 21: SURFACE DISTURBANCE MITIGATION FOR CRITICAL AND HIGH</u> <u>PRIORITY WINTER RANGE</u>

The subject permit application is proposed within critical and high priority winter range (FEIS) and subject to EPM 21 requiring acre for acre mitigation for surface disturbance on critical winter range. The following condition comes from a cooperative agreement between the Texaco, Anadarko, Chandler (Companies), BLM-Price Field Office, the Utah Division of Wildlife Resources and the National Fish and Wildlife Foundation. The Companies agreed to the following:

1. Contribute \$1,301.26 (1998 dollars) for each Federal interest well (Federal surface and or subsurface ownership) permitted and drilled by the Companies (or on behalf of Companies by its contractor) on big game critical winter range as depicted in the FEIS Ferron Natural Gas Project Area. (Wells meeting the above criteria for which payment will be required, will be referred to as "subject wells".) This contribution will be adjusted annually for inflation based on the Consumer Price Index (CPI), see Section II.C.6. for the reference source used for the determination of the CPI and the date in which this allllual adjustment will go into effect.

Since this mitigation program is designed to address impacts of all big game critical winter range surface disturbance (roads, well pads, pipelines, etc.), contributions will be required regardless of the success or failure of the subject well to produce.

a. The recorded date for spudding for each subject well (the first boring of a hole during the drilling of a well) will serve as the reference date triggering the requirement for the mitigation contribution.

- b. Contributions will be submitted (in the form of an Company check, cashiers check or wire transfer) directly to the National Fish and Wildlife Foundation by the 1<sup>st</sup> of August and February for all subject wells spudded in the preceding six months as reported by the Bureau.
- c. All contributions will be made payable to the "National Fish and Wildlife Foundation re, Proj 99-270" and reference the "Ferron Natural Gas Wildlife Habitat Impact Mitigation Fund".

#### Appendix 2: Seed Mixtures for Reclamation/Revegetation

<u>Table A-1</u>: The following seed mixture would be planted along service road borrow ditches, around the edges of drill pads with a production well, and surrounding other production and maintenance facilities. The purpose for this is to provide a 'green strip' buffer to minimize fire hazards and prevent invasion and establishment of noxious weeds in areas that will receive continued disturbance for the life of these areas.

<b>Common Plant Name</b>	Scientific Name	Pounds per acre (PLS)
Forage kochia	Kochia prostrata	2
Wyoming big sagebrush	Artemisia tridentata wyomingensis var. Gordon Creek	1
	Chrysothamnus viscidiflorus	1
	Total	4

Table A-2: Seed mixture for Final Reclamation-Pinyon/Juniper Areas. The following seed mixture is for the area that would receive final reclamation. Areas would be planted to protect them from soil erosion and to restore forage production.

Common Plant Name	Scientific Name	Pounds per acre (PLS)
Pinyon Juniper Areas		
Grasses		
Thickspike wheatgrass	Elymus lanceolatus	1.5
Intermediate wheatgrass	Elytrigia intermedia	1.5
Squirreltail	Elymus elymoides	2
Crested wheatgrass	Agropyron desertorum	2
Forbs		
Lewis flax	Llinum perenne lewisii	1
Palmer penstemon	Penstemon palmerii	1
Shrubs		
Forage kochia	Kochia prostrata	2
Fourwing saltbrush	Atriplex canescense	2
Wyoming big sagebrush	Artemesia tridentata wyomingensis var. Gordon Creek	1
Antelope bitterbrush	Purshia tridentata	1
	Total	15

Seeding rates are listed as pounds/acre of pure live seed (PLS) drilled. Rate is increased by 50 percent if broadcast seeded. (PLS = % seed purity x % seed germination)

#### C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

<u>Building Location</u>- Notify the Price Field Office at least 48-hours prior to commencing construction of location.

<u>Spud-</u> Notify the Price Field Office 24-hours prior to spud. Submit written notification of spud (Sundry Notice, Form 3160-5) to the Moab Field Office within 24-hours after spud, regardless of whether spud was made with a dry hole digger or big rig.

<u>Daily Drilling Reports</u>- Daily drilling reports that describe the progress and status of the well shall be submitted to the Moab Field Office on a weekly basis. This report may be in any format customarily used by the operator.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

<u>Sundry Notices</u>- Any modification to the proposed drilling program shall be submitted to the Moab Field Office on a Sundry Notice (Form 3160-5). Regulations at 43 CFR 3162.3-2 describe which operations require prior approval, and which require notification.

<u>Drilling Suspensions</u>-Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

<u>Undesirable Events</u>- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

<u>Cultural Resources</u>- If cultural resources are discovered during construction, immediately notify the Price Field Office, and work that might disturb the cultural resources shall cease.

<u>First Production</u>- A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Price Field Office.

Notify the Moab Field Office when the well is placed into production. Initial notification may be verbal, but must be confirmed in writing within five business days. Please include the date production started, the producing formation and production volumes.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, a *Well Completion or Recompletion Report and Log* (Form 3160-4) shall be submitted to the Moab Field Office within thirty-days after completion of the well. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

<u>Venting/Flaring of Gas</u>- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered to be shut-in until the gas can be captured or until approval to continue the venting/flaring pursuant to NTL-4A is granted. Compensation shall be due for gas that is vented/flared without approval.

<u>Produced Water-</u> An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling of production prior to the sales measurement point. The term "commingling" describes both the combining of production from different geologic zones and/or combining production from different leases or agreement areas.

<u>Plugging and Abandonment</u>- If the well is a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Sundry Notice, Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Price Field Office or the appropriate surface managing agency.

#### TABLE 1 NOTIFICATIONS

Notify Walton Willis (435-636-3662) or Nathan Sill (435-636-3668) of the BLM Price Field Office for the following:

48 hours prior to constructing location (Sill);

1 day prior to spud (Willis);

50 feet prior to reaching the surface casing setting depth (Willis);

If the person at the above number cannot be reached, notify the BLM Moab Field Office at 435-259-2100.

Well abandonment operations require 24-hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained from:

Eric Jones, Petroleum Engineer Office: 435-259-2117

Home: 435-259-2214

#### FORM 9

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL GAS AND MINING

DIVISION OF OIL, GAS AND MINING					5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-68538
SUNDRY NOTICES AND REPORTS ON WELLS					6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
Do not use this form for proposals to drill new drill horizontal later:	wells, significantly deepen existing	wells below current bottom-h	ole depth, reenter plug	ged wells, or to	7. UNIT OF CA AGREEMENT NAME: N/A
1. TYPE OF WELL			proposals.		8. WELL NAME and NUMBER:
OIL WELL L	GAS WELL 💋	OTHER			UTAH FEDERAL 18-7-22-24
2. NAME OF OPERATOR: XTO ENERGY INC.			In the second		9. API NUMBER: 4301530704
3. ADDRESS OF OPERATOR: 382 CR 3100	AZTEC STATE	NM ZIP 87410	(505) 33		10. FIELD AND POOL, OR WILDCAT: FERRON SANDSTONE
4. LOCATION OF WELL FOOTAGES AT SURFACE: 752 FSL					COUNTY: EMERY
QTR/QTR, SECTION, TOWNSHIP, RANGE	, MERIDIAN: SESW 22	18S <b>7</b> E S			STATE: UTAH
11. CHECK APPRO	PRIATE BOXES TO	INDICATE NATU	JRE OF NOTI	CE, REPOR	RT, OR OTHER DATA
TYPE OF SUBMISSION			TYPE OF AC	TION	
NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start	ACIDIZE  ALTER CASING  CASING REPAIR  CHANGE TO PREVIOUS PLATE  CHANGE TUBING	FRA	PEN CTURE TREAT V CONSTRUCTION RATOR CHANGE G AND ABANDON		REPERFORATE CURRENT FORMATION SIDETRACK TO REPAIR WELL TEMPORARILY ABANDON TUBING REPAIR VENT OR FLARE
SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion:	CHANGE WELL NAME CHANGE WELL STATUS COMMINGLE PRODUCING F CONVERT WELL TYPE	PROFORMATIONS REC	G BACK DUCTION (START/RE LAMATION OF WELL COMPLETE - DIFFEREI	SITE	WATER DISPOSAL WATER SHUT-OFF OTHER:
12. DESCRIBE PROPOSED OR COM  XTO is requesting a one year		•	tails including dates	s, depths, volumes	s, etc.
	(	Approved by Utah Divisio Dil, Gas and N	the n of Mining		
COPY SENT TO OPERATOR	Dat By:	e: 01-16			
Initios: ES			د.		· · · · · · · · · · · · · · · · · · ·
NAME (PLEASE PRINT)  SIGNATURE  Kyla Vaugha	aughar		TITLE Regul	atory Compl	iance
(This space for State use only)					

(5/2000)

(See Instructions on Reverse Side)

RECEIVED
JAN 1 5 2008

# Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

Well Name: Location: Company Per		L in Sec 22, T18S, R7E XTO ENERGY, INC.		
above, hereby	verifies that the i	legal rights to drill on th information as submitted mains valid and does no	in the previously	
Following is a verified.	checklist of some	items related to the app	olication, which should be	
· · · · · · · · · · · · · · · · · · ·	rivate land, has then updated? Yes	ne ownership changed, i □No☑	f so, has the surface	
		he vicinity of the propos nts for this location? Yes	ed well which would affect □ No ☑	
	•	er agreements put in plac roposed well? Yes□No		
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes□No ☑				
Has the appro	ved source of wa	ter for drilling changed?	Yes□No☑	
	iire a change in p	changes to the surface lo lans from what was disc		
~	•	covers this proposed wel	ll? Yes⊠No□	
Kylal	auchan		1/10/2008	
Signature	$\bigcirc$		Date	
Title: Regulator	ry Compliance			
Representing:	XTO Energy, Inc.			

RECEIVED JAN 1 5 2008

STATE OF UTAH		FORM 9
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-68538
SUNDRY NOTICES AND REPORTS ON WE	LLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such prop		7. UNIT OF CA AGREEMENT NAME: N/A
1. TYPE OF WELL OIL WELL GAS WELL 🗹 OTHER		8. WELL NAME and NUMBER: UTAH FEDERAL 18-7-22-24
2. NAME OF OPERATOR:  XTO ENERGY INC.		9. API NUMBER: 4301530704
3. ADDRESS OF OPERATOR:	PHONE NUMBER:	10. FIELD AND POOL, OR WILDCAT:
382 CR 3100 CHTY AZTEC STATE NM ZIP 87410	(505) 333-3100	FERRON SANDSTONE
FOOTAGES AT SURFACE: 752 FSL x 1563 FWL		COUNTY: EMERY
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 22 18S TE S		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATUR	E OF NOTICE, REPO	RT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION	J
NOTICE OF INTENT  ACIDIZE  DEEPEI  ACIDIZE  DEEPEI  ACIDIZE  DEEPEI  ACIDIZE  DEEPEI  DEEPEI		REPERFORATE CURRENT FORMATION SIDETRACK TO REPAIR WELL
	JRE TREAT  ONSTRUCTION	TEMPORARILY ABANDON
	TOR CHANGE	TUBING REPAIR
	ND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT CHANGE WELL NAME PLUG B	ACK	WATER DISPOSAL
	CTION (START/RESUME)	WATER SHUT-OFF
Date of work completion:  COMMINGLE PRODUCING FORMATIONS RECLAI	MATION OF WELL SITE	OTHER:
CONVERT WELL TYPE RECON	PLETE - DIFFERENT FORMATION	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent detail	s including dates, depths, volume	es, etc.
XTO is requesting a one year extension on the above listed APD. T	his is the second exten	sion request.
	ha	
Approved by t Utah Division	ne of	
Oil, Gas and Mi	nina	
OII, Gas and Wi	9	
	<i>(</i> )	
Date: Ol-21-0	<del>1111</del>	
By:	1	
	27	
NAME (PLEASE PRINT) ESTERATION	TITLE Regulatory Clerk	
SIGNATURE SIGNATURE	DATE 1/13/2009	
(This according State upon and all		
(This space for State use only)		חרארוו ויייה
COPY SENT TO OPERATOR		RECEIVED

(5/2000)

(See Instructions on Reverse Side)

JAN 2 1 2009



#### Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

Well Name: Utah Federal 18-7-22-24 Location: 752 FSL x 1563 FWL in Company Permit Issued to: XTO Date Original Permit Issued: 1/24	) ENERGY, INC.
above, hereby verifies that the infor	al rights to drill on the property as permitted mation as submitted in the previously as valid and does not require revision.
Following is a checklist of some iter verified.	ms related to the application, which should be
If located on private land, has the o agreement been updated? Yes □ N	wnership changed, if so, has the surface lo☑
Have any wells been drilled in the the spacing or siting requirements to	vicinity of the proposed well which would affect for this location? Yes⊡ No⊠
Has there been any unit or other agpermitting or operation of this propo	greements put in place that could affect the osed well? Yes□No☑
Have there been any changes to the of-way, which could affect the prop	ne access route including ownership, or rightosed location? Yes□No☑
Has the approved source of water	for drilling changed? Yes⊟No⊠
Have there been any physical char which will require a change in plans evaluation? Yes□No☑	nges to the surface location or access route s from what was discussed at the onsite
Is bonding still in place, which cover	ers this proposed well? Yes⊠No□
	1/13/2009
Signature	Date
Title: Regulatory Clerk	
Representing: XTO Energy, Inc.	
	RECEIVED
	JAN 2 1 2009

STATE OF UTAH			FORM 9
	5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-68538		
SUNDF	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:		
	sals to drill new wells, significantly deepen exi gged wells, or to drill horizontal laterals. Use		7.UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: UT FED 18-7-22-24
2. NAME OF OPERATOR: XTO ENERGY INC			9. API NUMBER: 43015307040000
3. ADDRESS OF OPERATOR: 382 Road 3100 , Aztec, NM, 8	7410 505 333-3159 Ext	PHONE NUMBER:	9. FIELD and POOL or WILDCAT: BUZZARD BENCH
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0752 FSL 1563 FWL			COUNTY: EMERY
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: SESW Section: 22	P, RANGE, MERIDIAN: Township: 18.0S Range: 07.0E Meridian: S		STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICATE	NATURE OF NOTICE, REPORT,	OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
✓ NOTICE OF INTENT	ACIDIZE	ALTER CASING	CASING REPAIR
Approximate date work will start:  1/24/2011	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME
	☐ CHANGE WELL STATUS ☐ ☐ DEEPEN ☐	COMMINGLE PRODUCING FORMATIONS FRACTURE TREAT	☐ CONVERT WELL TYPE ☐ NEW CONSTRUCTION
SUBSEQUENT REPORT Date of Work Completion:	□ OPERATOR CHANGE	PLUG AND ABANDON	☐ PLUG BACK
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON
	☐ TUBING REPAIR ☐	VENT OR FLARE	WATER DISPOSAL
DRILLING REPORT Report Date:	☐ WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION
	□ WILDCAT WELL DETERMINATION □	OTHER	OTHER:
	MPLETED OPERATIONS. Clearly show all pertine ests a one year extension on the referenced well.	State permit for the	Approved by the Utah Division of Oil, Gas and Mining  ate: January 28, 2010  y: January 28, 2010
NAME (PLEASE PRINT) Eden Fine	<b>PHONE NUMBER</b> 505 333-3664	TITLE Permitting Clerk	
SIGNATURE N/A		DATE 1/26/2010	

## The Utah Division of Oil, Gas, and Mining **Department of Natural Resources** Electronic Permitting System - Sundry Notices

#### Request for Permit Extension Validation Well Number 43015307040000

**API:** 43015307040000 Well Name: UT FED 18-7-22-24

Location: 0752 FSL 1563 FWL QTR SESW SEC 22 TWNP 180S RNG 070E MER S

**Company Permit Issued to:** XTO ENERGY INC

**Date Original Permit Issued:** 1/24/2007

The undersigne	ed as owner with	n legal rights to	drill on the prope	erty as permitted	above, hereby	verifies that
the information	as submitted in	n the previously	approved applica	ation to drill, rem	ains válid and	does not
reauire revisior	n. Following is a	checklist of son	ne items related	to the application	, which should	be verified.

informat uire revis	tion as submitted in the sion. Following is a che	e previou cklist of	isly approved application some items related to th	n to drill, re ne application	mains valid and does not on, which should be verified.
	nted on private land, ha ed? 问 Yes 📵 No	s the ow	mership changed, if so, l	nas the surf	ace agreement been
	any wells been drilled i requirements for this l			ll which wo	ould affect the spacing or
	nere been any unit or o proposed well?		eements put in place tha No	t could affe	ct the permitting or operation
	there been any change the proposed location?			vnership, o	r rightof- way, which could
• Has th	ne approved source of v	water for	drilling changed? 🔘 🕚	res 📵 No	•
			s to the surface location ssed at the onsite evalua		oute which will require a Yes 📵 No
• Is bon	nding still in place, which	ch covers	s this proposed well?	Yes 🗍	Approved by the No Utah Division of Oil, Gas and Mining
nature:	Eden Fine	Date:	1/26/2010		
Title:	Permitting Clerk Repres	enting:	XTO ENERGY INC	Da	te: January 28, 2010
				D.	Local VI

Sig

STATE OF UTAH  DEPARTMENT OF NATURAL RESOURCES		FORM 9	
	5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-68538		
SUNDF	RY NOTICES AND REPORTS O	N WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	sals to drill new wells, significantly deepen e gged wells, or to drill horizontal laterals. Use		7.UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: UT FED 18-7-22-24
2. NAME OF OPERATOR: XTO ENERGY INC			9. API NUMBER: 43015307040000
3. ADDRESS OF OPERATOR: 382 Road 3100 , Aztec, NM, 8		NUMBER:	9. FIELD and POOL or WILDCAT: BUZZARD BENCH
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0752 FSL 1563 FWL			COUNTY: EMERY
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: SESW Section: 22	r, RANGE, MERIDIAN: Township: 18.0S Range: 07.0E Meridian: S		STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICATE	NATURE OF NOTICE, REPORT,	OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
	☐ ACIDIZE	ALTER CASING	CASING REPAIR
Approximate date work will start:	☐ CHANGE TO PREVIOUS PLANS	CHANGE TUBING	☐ CHANGE WELL NAME
1/10/2012	☐ CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN ☐	FRACTURE TREAT	☐ NEW CONSTRUCTION
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	☐ PLUG BACK
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON
	☐ TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL
DRILLING REPORT Report Date:	☐ WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION
Report Date.	□ WILDCAT WELL DETERMINATION □	OTHER	OTHER:
	equests a one (1) year extension referenced well.	n of the State APD for th	
NAME (PLEASE PRINT) Krista Wilson	<b>PHONE NUMBER</b> 505 333-3647	TITLE Permitting Tech	
SIGNATURE N/A		DATE 1/10/2011	



Sig

#### The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices** 

#### Request for Permit Extension Validation Well Number 43015307040000

**API:** 43015307040000 **Well Name:** UT FED 18-7-22-24

Location: 0752 FSL 1563 FWL QTR SESW SEC 22 TWNP 180S RNG 070E MER S

Company Permit Issued to: XTO ENERGY INC

**Date Original Permit Issued:** 1/24/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

iire revision. Followi	ng is a checklist of some iten	is related to the applic	ation, which should be verified.
• If located on priva updated? Yes	te land, has the ownership c	nanged, if so, has the s	surface agreement been
	en drilled in the vicinity of these for this location?		would affect the spacing or
Has there been an of this proposed w		ut in place that could a	iffect the permitting or operation
	ny changes to the access rou d location? 🔵 Yes 📵 No	te including ownership	o, or rightof- way, which could
• Has the approved	source of water for drilling cl	nanged? 🔵 Yes 📵	No
	ny physical changes to the su om what was discussed at the		
• Is bonding still in	place, which covers this prop	osed well? 📵 Yes 🤅	Approved by the No Utah Division of Oil, Gas and Mining
<b>nature:</b> Krista Wilson			01/11/2011
<b>Title:</b> Permitting Te	ech <b>Representing:</b> XTO ENERG	Y INC	Date: 01/11/2011
			BV: Dally Sill

Sundry Number: 21132 API Well Number: 43015307040000

	STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES		FORM 9
	5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-68538		
SUND	RY NOTICES AND REPORTS O	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	sals to drill new wells, significantly deepen e ugged wells, or to drill horizontal laterals. Use		7.UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: UT FED 18-7-22-24
2. NAME OF OPERATOR: XTO ENERGY INC			9. API NUMBER: 43015307040000
3. ADDRESS OF OPERATOR: 382 Road 3100 , Aztec, NM, 8		NUMBER:	9. FIELD and POOL or WILDCAT: BUZZARD BENCH
4. LOCATION OF WELL FOOTAGES AT SURFACE: 075/25 FSL 1563 FWL	TO DANCE MEDIDIAN.		COUNTY: EMERY
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: SESW Section: 22	Township: 18.0S Range: 07.0E Meridian: S		STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICATE	NATURE OF NOTICE, REPORT	, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
_	☐ ACIDIZE ☐	ALTER CASING	CASING REPAIR
NOTICE OF INTENT Approximate date work will start:	☐ CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME
1/1/2013	☐ CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE
SUBSEQUENT REPORT	DEEPEN	FRACTURE TREAT	☐ NEW CONSTRUCTION
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	☐ PLUG BACK
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT	☐ WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION
Report Date:	☐ WILDCAT WELL DETERMINATION ☐	OTHER	OTHER:
12 DESCRIBE PROPOSED OR CO	DMPLETED OPERATIONS. Clearly show all pertin	nent details including dates, denths	volumes etc
	equests a one (1) year extension	- , , ,	•
	referenced well.		
			Approved by the Utah Division of
			Oil, Gas and Mining
			12/19/2011
			Pate: 12/19/2011
			iv: Bally
		_	
NAME (PLEASE PRINT) Krista Wilson	<b>PHONE NUMBER</b> 505 333-3647	TITLE Permitting Tech	
SIGNATURE		DATE	
l N/A		12/9/2011	

Sundry Number: 21132 API Well Number: 43015307040000



#### The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices** 

#### Request for Permit Extension Validation Well Number 43015307040000

**API:** 43015307040000 **Well Name:** UT FED 18-7-22-24

Location: 0752 FSL 1563 FWL QTR SESW SEC 22 TWNP 180S RNG 070E MER S

Company Permit Issued to: XTO ENERGY INC

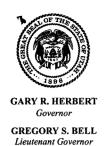
**Date Original Permit Issued:** 1/24/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

<ul> <li>If located on private land, has the ownership changed, if so, has the surface agreement been updated?</li> <li>Yes</li> <li>No</li> </ul>
<ul> <li>Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?</li> <li>Yes</li> <li>No</li> </ul>
<ul> <li>Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?</li> <li>Yes</li> <li>No</li> </ul>
<ul> <li>Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?</li> <li>Yes </li> <li>No</li> </ul>
• Has the approved source of water for drilling changed? 🔵 Yes 🌘 No
<ul> <li>Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?</li> <li>Yes</li> <li>No</li> </ul>
• Is bonding still in place, which covers this proposed well?   Yes   No

**Signature:** Krista Wilson **Date:** 12/9/2011

Title: Permitting Tech Representing: XTO ENERGY INC



### State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

March 20, 2013

Rick Redus XTO Energy Inc. 382 Road 3100 Aztec, NM 87410

Re:

APDs Rescinded for XTO Energy Inc.

Uintah/Emery County

Dear Mr. Redus:

Enclosed find the list of APDs that you requested to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective March 20, 2013.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

ian Glasni Diana Mason

Environmental Scientist

cc:

Well File

Bureau of Land Management, Vernal

SITLA, Ed Bonner



#### Fwd: APDs

Brad Hill <br/>
bradhill@utah.gov><br/>
To: Diana Mason <DIANAWHITNEY@utah.gov>

Wed, Mar 20, 2013 at 2:35 PM

Here are some you can get rid of.

----- Forwarded message -----

From: Redus, Richard < Richard\_Redus@xtoenergy.com>

Date: Wed, Mar 20, 2013 at 2:31 PM

Subject: APDs

To: "bradhill@utah.gov" <bradhill@utah.gov>

Mr Hill,

Please cancel the below APD's as XTO will not be drilling these wells within the foreseeable future.

XTO ENERGY INC	4304737569	RBU 14-15F	DRILL	01/12/2006	01/12/2013
XTO ENERGY INC	4304752133	LCU 4-16H	DRILL	01/12/2012	01/12/2013
XTO ENERGY INC	4301530704	UT FED 18-7-22-24	DRILL	01/24/2007	01/24/2013
XTO ENERGY INC	4304737648	RBU 6-4E	DRILL	01/30/2006	01/30/2013
XTO ENERGY INC	4304737652	RBU 7-16F	DRILL	01/30/2006	01/30/2013
XTO ENERGY INC	4304737653	LCU 14-9H	DRILL	01/30/2006	01/30/2013
XTO ENERGY INC	4304751354	KC 15-32E	DRILL	02/03/2011	02/03/2013
XTO ENERGY INC	4304736295	RBU 10-21E	DRILL	02/09/2005	02/09/2013
XTO ENERGY INC	4304740524	RBU 30-23E	DRILL	02/10/2009	02/10/2013
XTO ENERGY INC	4304740529	RBU 21-24E	DRILL	02/10/2009	02/10/2013

TO ENERGY INC	4304740530	RBU 28-23E	DRILL	02/10/2009	02/10/2013
TO ENERGY INC	4304740531	RBU 23-23E	DRILL	02/10/2009	02/10/2013
TO ENERGY INC	4304740532	RBU 31-23E	DRILL	02/10/2009	02/10/2013
TO ENERGY INC	4304740533	RBU 25-23E	DRILL	02/10/2009	02/10/2013
TO ENERGY INC	4304739050	LCU 15-4H	DRILL	02/12/2007	02/12/2013
TO ENERGY INC	4304739051	KC 15-31E	DRILL	02/21/2007	02/21/2013
TO ENERGY INC	4304752053	AP 14-2J	DRILL	02/29/2012	02/28/2013
TO ENERGY INC	4304752054	AP 16-2J	DRILL	02/29/2012	02/28/2013
TO ENERGY INC	4304752055	AP 5-2JX	DRILL	02/29/2012	02/28/2013
TO ENERGY INC	4304752102	LCU 16-36F	DRILL	02/29/2012	02/28/2013
TO ENERGY INC	4304752103	LCU 2-2H	DRILL	02/29/2012	02/28/2013
TO ENERGY INC	4304752104	LCU 4-2H	DRILL	02/29/2012	02/28/2013
TO ENERGY INC	4304752106	LCU 7-36F	DRILL	02/29/2012	02/28/2013
TO ENERGY INC	4304752108	LCU 2-36F	DRILL	02/29/2012	02/28/2013
TO ENERGY INC	4304752109	LCU 4-36F	DRILL	02/29/2012	02/28/2013
TO ENERGY INC	4304739068	KC 7-33E	DRILL	03/05/2007	03/05/2013
TO ENERGY INC	4304739069	KC 13-33E	DRILL	03/05/2007	03/05/2013
TO ENERGY INC	4304739070	KC 15-33E	DRILL	03/05/2007	03/05/2013
TO ENERGY INC	4304737748	RBU 14-16F	DRILL	03/09/2006	03/09/2013
	TO ENERGY INC  TO ENERGY INC	TO ENERGY INC	TO ENERGY INC 4304740531 RBU 23-23E  TO ENERGY INC 4304740532 RBU 31-23E  TO ENERGY INC 4304740533 RBU 25-23E  TO ENERGY INC 4304739050 LCU 15-4H  TO ENERGY INC 4304752053 AP 14-2J  TO ENERGY INC 4304752054 AP 16-2J  TO ENERGY INC 4304752055 AP 5-2JX  TO ENERGY INC 4304752102 LCU 16-36F  TO ENERGY INC 4304752103 LCU 2-2H  TO ENERGY INC 4304752104 LCU 4-2H  TO ENERGY INC 4304752106 LCU 7-36F  TO ENERGY INC 4304752108 LCU 2-36F  TO ENERGY INC 4304752109 LCU 4-36F  TO ENERGY INC 4304739068 KC 7-33E  TO ENERGY INC 4304739069 KC 13-33E  TO ENERGY INC 4304739070 KC 15-33E	TO ENERGY INC 4304740531 RBU 23-23E DRILL  TO ENERGY INC 4304740532 RBU 31-23E DRILL  TO ENERGY INC 4304740533 RBU 25-23E DRILL  TO ENERGY INC 4304739050 LCU 15-4H DRILL  TO ENERGY INC 4304739051 KC 15-31E DRILL  TO ENERGY INC 4304752053 AP 14-2J DRILL  TO ENERGY INC 4304752054 AP 16-2J DRILL  TO ENERGY INC 4304752055 AP 5-2JX DRILL  TO ENERGY INC 4304752102 LCU 16-36F DRILL  TO ENERGY INC 4304752103 LCU 2-2H DRILL  TO ENERGY INC 4304752104 LCU 4-2H DRILL  TO ENERGY INC 4304752106 LCU 7-36F DRILL  TO ENERGY INC 4304752108 LCU 2-36F DRILL  TO ENERGY INC 4304752109 LCU 4-36F DRILL  TO ENERGY INC 4304752109 LCU 4-36F DRILL  TO ENERGY INC 4304739068 KC 7-33E DRILL  TO ENERGY INC 4304739069 KC 13-33E DRILL  TO ENERGY INC 4304739069 KC 13-33E DRILL	TO ENERGY INC 4304740531 RBU 23-23E DRILL 02/10/2009 TO ENERGY INC 4304740532 RBU 31-23E DRILL 02/10/2009 TO ENERGY INC 4304740533 RBU 25-23E DRILL 02/10/2009 TO ENERGY INC 4304739050 LCU 15-4H DRILL 02/12/2007 TO ENERGY INC 4304739051 KC 15-31E DRILL 02/21/2007 TO ENERGY INC 4304752053 AP 14-2J DRILL 02/29/2012 TO ENERGY INC 4304752054 AP 16-2J DRILL 02/29/2012 TO ENERGY INC 4304752055 AP 5-2JX DRILL 02/29/2012 TO ENERGY INC 4304752102 LCU 16-36F DRILL 02/29/2012 TO ENERGY INC 4304752103 LCU 2-2H DRILL 02/29/2012 TO ENERGY INC 4304752104 LCU 4-2H DRILL 02/29/2012 TO ENERGY INC 4304752106 LCU 7-36F DRILL 02/29/2012 TO ENERGY INC 4304752108 LCU 2-36F DRILL 02/29/2012 TO ENERGY INC 4304752108 LCU 2-36F DRILL 02/29/2012 TO ENERGY INC 4304752109 LCU 4-36F DRILL 02/29/2012 TO ENERGY INC 4304752109 LCU 4-36F DRILL 02/29/2012 TO ENERGY INC 4304752109 LCU 4-36F DRILL 02/29/2012 TO ENERGY INC 4304739068 KC 7-33E DRILL 03/05/2007 TO ENERGY INC 4304739069 KC 13-33E DRILL 03/05/2007

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3/20/13			State of	State of Utah Mail - Fwd: APDs		
	XTO ENERGY INC	4304740588	RBU 22-24E	DRILL	03/11/2009	03/11/2013
	XTO ENERGY INC	4304740492	LCU 2-16H	DRILL	03/12/2009	03/12/2013
	XTO ENERGY INC	4304740493	LCU 1-16H	DRILL	03/12/2009	03/12/2013
	XTO ENERGY INC	4304739158	LCU 15-3H	DRILL	03/28/2007	03/28/2013

Rick Redus

Permitting Specialist

XTO Energy Western Division

Wrk: 303-397-3712

Cell: 720-539-1673

From: bradhill@utah.gov [mailto:bradhill@utah.gov]

Sent: Monday, March 04, 2013 1:20 PM

XTO ENERGY INC 4304739159 LCU 5-3H

To: Redus, Richard

Subject: Sundry For API Well Number 43047364300000

Notice of Intent: APD\_EXTENSION API Number: 43047364300000 Operator: XTO ENERGY INC Approved: 3/4/2013

DRILL 03/28/2007

03/28/2013

Brad Hill P.G.
O & G Permitting Manager/Petroleum Geologist
State of Utah
Division of Oil, Gas, & Mining

Phone: (801)538-5315 Fax: (801)359-3940 email: bradhill@utah.gov